



United States
Department
of Agriculture

LDP-M-109

July 17, 2003



Electronic Outlook Report from the Economic Research Service

www.ers.usda.gov

Livestock, Dairy, and Poultry Outlook

Leland Southard (Coordinator)

Total U.S. Meat Production To Decline Slightly in 2003 and 2004

Contents

[Hogs/Pork](#)
[Cattle/Beef](#)
[Dairy](#)
[Poultry](#)
[Eggs](#)
[Contacts and Links](#)

Tables at a Glance

[Red Meat and Poultry
Economic Indicators](#)
[Dairy](#)
[Per Capita Consumption
of Selected Cheese
Varieties, 1970-2002](#)

Web Sites

[Cattle](#)
[Dairy](#)
[Hogs](#)
[Poultry and Eggs](#)
[WASDE](#)

The next release is
July 22, 2003

Approved by the
World Agricultural
Outlook Board.

Note: The discovery of bovine spongiform encephalopathy (BSE) in Canada resulted in the United States placing a ban on imports of ruminant animals and products from that country as of May 20. Due to the uncertainties as to the length of the ban, the impact of BSE in this report is limited to impacts of the ban through July 11. Subsequent issues of this report will reflect available information at that time.

Total U.S. meat production is expected to decline slightly (less than 1 percent) in both 2003 and 2004. Red meat production is expected to decline nearly 2 percent due to the shrinking inventories of cattle, hogs, and sheep. Larger-than-expected slaughter in the second quarter increased beef production. Higher-than-expected placements in the second quarter along with higher forecast placements in the third quarter are expected to lead to larger beef production in late 2003 and early 2004 than previously expected. The larger placements are tempering the start of herd rebuilding. The **Cattle** report to be released on July 18 will provide a basis for re-evaluating beef production forecasts. The June **Quarterly Hogs and Pigs** report indicated that producers intend to cutback production in the coming months, but at a lower rate than previously expected. If these intentions are realized, there will be a smaller than previously expected decline in 2004-pork production. Broiler production forecasts for 2003 now indicate a fractional year-over-year increase as heavier weights more than offset the continuing decline in chicks placed.

Meat imports are running below previous expectations reflecting the ban on Canadian beef since May 20. However, the reduction in beef imports from Canada is being partially offset by higher pork imports. Meat exports are also running below previous expectations due to reduced beef and poultry sales to Mexico and weaker poultry sales to Asia.

Cattle price forecasts have been lowered due to anticipated larger-than-previously expected 2003 and 2004 production. Hog price forecast has been raised as strong beef prices supported second-quarter hog prices and fourth-quarter prices are forecast higher than previously anticipated.

June Hogs and Pigs Report in Line With Expectations

The *Quarterly Hogs and Pigs*, released June 27th, reported June 1st inventories, farrowing rates, and farrowing intentions that largely track with earlier expectations. If producers' intentions are realized, annual farrowings and the pig crop for 2003 will be about 2-percent lower than in 2002. For 2003, continued expectations are for total slaughter of about 99 million head, yielding pork production of 19.5 billion pounds, or, a 1-percent decline, respectively, from 2002.

Lower grain prices and positive producer returns suggest that farrowings, and thus pig crops, may expand marginally next year, but at rates less than 1 percent above 2003. Slaughter next year could be somewhat smaller, given lower farrowings in the second half of 2003 and some increased gilt retention if expectations for continued positive returns are realized. Current expectations point to 2004 pork production of 19.4 billion pounds, a quantity that is less than 1-percent below 2003 production estimates.

Live Hog Prices Reflect Lower 2003-2004 Supplies

Second-quarter 2003 prices of 51-52 percent lean (live equivalent) hogs averaged \$42.64 per hundredweight (cwt), 22 percent higher than a year ago, and 21 percent above prices in this year's first quarter. On average, 2003 hog prices are expected to be 12 percent higher than in 2002. Next year, prices will average around 8 percent higher than in 2003, or, in the low \$40s per cwt. Higher live hog prices both this year and next, reflect lower supplies of hogs and competing protein animals.

Lower Retail Prices Expected for Balance of 2003; Higher Next Year

Retail prices through May averaged more than 3 percent below last year, partly in response to higher-than-expected pork supplies in the first half of 2003. Retail pork prices for 2003 are expected to average in the low \$2.60s per pound, or, about 1 percent below 2002. Next year, lower supplies of pork and beef will

likely support retail pork prices in the upper \$2.60s per pound.

Trade-Side Buoyant: Both Exports and Imports Alike

In the first 5 months of 2003, U.S. exporters shipped almost 5 percent more pork to foreign markets than in the same period a year ago. Pork exports through May totaled 701.1 million pounds. Although the same three countries --Japan, Mexico, and Canada-- account for the lion's share of demand for U.S. pork products, market shares so far this year look somewhat different than last year.

(Percent share of U.S. pork exports, January – May)

	2003	2002
Japan	52	51
Mexico	16	20
Canada	10	13
Sub-total, "Big Three"	78	84
South Korea	6	3
Taiwan	3	2
Hong Kong	2	1
Other	11	9

So far this year, Japan has imported 9 percent more U.S. pork than over the same period a year ago. Higher Japanese imports are reflected in the 52-percent export share, which is slightly higher than the same-period share in 2002. In fact, Japanese demand for U.S. pork products increased in April, when the Safeguard was rescinded. The Safeguard is a 25-percent increase in the minimum price of imported pork products, sanctioned by the World Trade Organization (WTO), to protect the domestic Japanese pork industry from import surges. The effectiveness of the Safeguard has declined in recent years, as import levels tend to be maintained, even when the Safeguard is in effect. Indeed, current expectations are that the Safeguard will be re-instituted later in the fiscal year that began April 1st.

Several factors will combine to maintain Japanese demand for U.S. pork for the remainder of this year, among them, a lower-valued dollar relative to the currencies of other major pork exporting countries (Canada and Denmark), and likely surges of imported frozen pork, which typically accompanies Safeguard expiration and “run-ups” to any expected Safeguard re-imposition.

The decline in Mexico’s share of U.S. pork exports is significant. Slower economic growth is likely the primary factor contributing to the reduced demand. In the first 5 months of 2003, U.S. exports to Mexico declined 15 percent over the same period last year. With higher U.S. pork prices expected both this year and in 2004, expectations for growth of U.S. pork exports to Mexico is limited, at least until macroeconomic conditions improve. Another more current market factor is the anti-dumping suit that Mexican pork producers have instituted with the Mexican Government, against several U.S. exporters, and Mexican importers. With the producer action still under review, traders on both sides of the border likely are tempering shipments of U.S. pork products despite the absence of trade restrictions as of January 1, 2003, under the terms of the North American Free Trade Agreement.

Canada’s share of U.S. exports has also declined, through May. Although it is difficult to precisely identify the factors responsible for the decline, it is likely that higher prices of desirable U.S. cuts, together with the continued expansion of the Canadian pork sector, combine to temper Canadian demand for U.S. pork products.

Much of the export share lost so far this year by Mexico and Canada, has been picked up by smaller Asian markets: South Korea, Taiwan, and Hong Kong. Income growth likely accounts for some of the increased sales, but the market development efforts of the U.S. pork industry likely play some role in expanding exports in this part of the world.

While the United States has exported more pork so far in 2003, it has imported more, as well. United States pork imports increased 18-percent over the same

period last year. Current expectations are for imports to continue to expand this year, with total 2003 imports increasing almost 13 percent above last year. Imports next year are expected to be about 4 percent higher than in 2003. In addition to the trade flows generated by the ongoing integration of the U.S.-Canadian pork markets, lower U.S. pork production creates “holes” in domestic supplies of some pork cuts. What isn’t produced and supplied domestically, will likely be sourced abroad, exactly what is being observed in the increased product imports from Canada, or from Denmark.

Live Imports Continue To Expand in 2003: COOL Uncertainties May Limit Exports in 2004

USDA/APHIS estimates of Canadian hog imports through June show an increase of almost 9 percent over the same period last year. Further, APHIS data indicate that about 72 percent of the 3.2 million hogs imported from Canada through June were feeder pigs. Fewer U.S. imports of Canadian slaughter hogs likely reflect increased slaughter capacity in Canada (particularly in Ontario and Manitoba), as well as higher product imports from Canada. In other words, what isn’t coming down from Canada in the form of live slaughter animals, is being imported from Canada in the form of pork cuts.

Under the 2002 U.S. Farm Act, regulations for a mandatory Country of Origin Labeling (COOL) program must be promulgated by September 30, 2004. Under the law, for a pork cut to bear a “U.S. Origin” label in a retail establishment, the pork must be a product of a hog born, raised, and slaughtered in the United States. Consequently, numerous very complex issues are created with respect to feeder pigs imported from Canada, but raised and slaughtered in the United States. Under the voluntary guidelines for COOL, ground and pork cuts from such hogs would bear labels at retail stating that the cut (or ground product) is a “Product of Canada, Raised and Processed in the United States”. Current hog import estimates for 2004 are below 2003, reflecting uncertainty over potential regulations.

Canadian Beef and Cattle Import Ban Clouds Market Outlook

Cattle prices have benefited from the still-unresolved ban on imports of Canadian beef and cattle following discovery of a single case of BSE (bovine spongiform encephalopathy) on May 20. The U.S. beef market remains short of beef supplies at a time of very strong beef demand, particularly since a series of late-winter storms held down weight gains in feedlots. Strong fed cattle prices resulted in pulling marketings of feedlot cattle forward to meet the strong demand. Prices for Nebraska fed cattle averaged \$76.73 per cwt in June, up from \$63.64 a year earlier. The market remains nervous pending reopening of the Canadian market and negotiations within the international beef trading market on resolving this issue based on scientific grounds. This set of estimates only adjusts Canadian product imports through July 11, and are published in the *World Agricultural Supply and Demand Estimates*. At this time, discussions for resolving the issue are ongoing.

Herd Liquidation Likely Continues

The mid-year Cattle inventory report will provide the next solid view of the latest cattle cycle. However, first-half slaughter statistics strongly suggest at least one more year before the cattle industry even begins to move toward herd expansion. Although drought conditions remain a concern with much of the western half of the Nation continuing in drought, moisture and forage conditions are much improved in the eastern half of the country. Rebuilding forage stocks remains an issue, and hot weather pulls moisture levels down quickly.

Forage Supplies Remain Tight

The farm price of "other" (grass) hay continues well above year-earlier levels. The average price for other hay in June was \$79.20 a ton, down seasonally from May as baling begins, but up \$6 from a year earlier. Although moisture conditions are much improved east of the Rockies, unusually wet conditions have resulted in very poor hay making conditions in many areas. Stock ponds have been refilled from the heavy rains in many areas, resulting in adequate supplies as summer heats up. The poorest forage conditions are in the Rockies and areas west, particularly New Mexico

and Arizona with half or more of the acreage in the very poor-poor range. Many reservoirs remain well below normal as irrigation demands increase.

Producers intend to harvest 64.4 million acres of hay in 2003, slightly below a year earlier. Alfalfa hay acreage is expected to rise 2 percent. Although all other hay harvest acreage is expected to decline 1 percent, this decline is misleading because of the large acreage of Conservation Reserve Program (CRP) hay acreage released for harvest in drought areas last year. Year-to-year comparisons show down sharply lower acreage in the northern Rocky Mountains and northern Great Plains because of fewer CRP and small grain acreage expected to be harvested this year. Release of CRP acreage will be determined by drought declarations.

Cow Slaughter Remains High

First-half cow slaughter is over 8 percent above year earlier-levels and the largest cow slaughter since 1997. Dairy cow slaughter was up 13 percent, the largest since 1997, the result of abnormal culling and low milk prices. Beef cow slaughter was up 4 percent, the largest since 1998 as forage uncertainties in some areas and continued drought in much of the West stems expansion considerations. Replacement heifers being retained on January 1, 2003, were about unchanged from the levels of the past couple of years. Consequently, it appears almost certain that the beef cow herd will continue to decline. Inventories may increase in a few states, where inventories had been pulled down due to drought, and forage conditions are much improved over the past couple of years. Fairly large numbers of replacement heifers will have to calve and enter the cowherd to begin to stabilize the cowherd, much less begin to expand the base.

Fed Slaughter Pulled Forward

Following the May 20 ban on Canadian beef and cattle imports fed cattle marketings have been pulled forward to increase slaughter and production levels to supplement the short fall in product from Canada. Cattle on feed inventories at the beginning of the second quarter in feedlots with 1,000+ head of capacity were nearly 8 percent below a year earlier. However, improved feeding conditions, stronger prices encouraging marketing ahead of schedule, and

concerns over more Canadian beef and cattle coming into the market if the ban is lifted has resulted in a fairly sharp increase in slaughter in the second quarter. Second-quarter steer slaughter was likely up about 4 percent, while heifer slaughter rose near 1 percent. Marketings are likely to remain strong as long as the Canadian ban continues and beef demand remains strong. Feeder cattle demand has similarly increased strongly in June, with prices of yearling feeder cattle at Oklahoma City averaging nearly \$10 per cwt above a year ago. Second-quarter placements likely rose 8 to 10 percent above a year earlier, as feedlots attempted to replace cattle marketed earlier and due to anticipated strong prices as long as the ban continues. Even though cattle are being marketed ahead of schedule at lighter weights, slaughter weights while below normal are increasing seasonally.

Fed Cattle Prices Moderate After Short-Term Spike

As long as prices reflect supply concerns from the ban, fed marketings will be pulled forward, but the market is already adjusting to sharply higher beef prices. In the short-term, users faced a very inelastic demand amid unexpected shortened supplies. However, the market, where possible, shifted to less expensive cuts and competing meats. Fed cattle prices spiked near \$80 per cwt soon after the ban, but moved to the mid- \$70s in early July. Prices are expected to average in the low- to mid-\$70s this summer, with timing and conditions on the Canadian ban being lifted being an important price/quantity determinant.

Although the timing and conditions of the ban's lifting are unknown, market dynamics would be expected to reverse to a large extent as the ban is lifted. Feedlot marketings will move back toward normal marketing patterns and perhaps even slightly heavier weights to move more product into the higher priced Choice beef grades. This will reduce domestic supplies as this adjustment is made. Although there are indications that supplies are backing up in Canada, drought over the past couple of years has resulted in herd liquidation and sharply reduced feed supplies and thus lower cattle on feed inventories. Canadian cattle on feed inventories for Alberta and Saskatchewan on July 1 were 26 percent below a year earlier.

Retail Beef Prices Reach Record High

Boxed beef prices moved up sharply in late winter-early spring due to the falloff in feedlot performance and thus slaughter weights following a series of winter storms beginning in late February. Retail prices for Choice beef peaked at \$3.65 in April, and then as the market adjusted to the tight supplies, and declined in May. However, retail posted a record high at \$3.656 per pound in June as the market supplies again tightened due to the BSE ban. Prices for Choice boxed beef peaked near \$150 a cwt in early June, but declined to near \$130 per cwt in early July, still well above the \$110 average of last July. Retail prices are expected to decline from the record monthly high, but will remain sensitive to supply changes

Cheese Prices Break Free—For Now

After trading in a fairly narrow range since early April, prices of cheese on the Chicago Mercantile Exchange began to rise in mid-June and increased sharply in late June-early July. Even after easing a bit, mid-July prices were about 35 cents per pound above those of early June. Prices were reacting to a tightening caused by declines in production and, possibly, a bit of strengthening in sales. However, these cheese price increases will be greatly challenged in coming weeks by continued heavy supplies of other dairy products. Although butter prices attempted to follow cheese prices, initial butter price rises were met with fairly strong resistance, and mid-July prices were up only about 12 cents per pound from early June.

Supplies of milk for manufacturing went from fractionally larger than a year earlier in January to more than 2 percent smaller in May. With these relatively tight milk supplies, total cheese production has generally been slightly smaller this year. By April-May, output of other-than-American varieties was fairly consistently above a year earlier, leaving production of Cheddar down about 7 percent. These production drops left cheese markets somewhat short of current Cheddar cheese to stock for second-half needs. The reported decline in May milk production reinforced the likelihood of continued declines in supplies of milk for manufacturing.

June 1 commercial stocks of cheese were very close to those of a year earlier. By themselves, these holdings were fairly moderate, larger than stocks on that date in high-price years but smaller than in recent low-price years. However, butter stocks remain huge, facilitating the shift of milk into cheese production and lessening the need for cheese stocks.

Commercial disappearance of cheese presents a rather confusing picture. Movement of both American and other varieties were up fractionally in the first quarter

but have diverged since then. Commercial use of other cheese rose almost 3 percent from a year earlier in April-May, led by Mozzarella sales. Meanwhile, commercial use of American varieties slipped fractionally. The cause of the smaller wholesale American cheese movement is unclear. Whether this slippage resulted from sluggish final use or from a lack of normal seasonal pipeline building could be a key factor in the sustainability of recent price rises.

At current Exchange prices, milk is worth about \$3.50 per cwt more in cheese than in butter-powder. With more-than-ample butter stocks and continuing surpluses of nonfat dry milk, diversion of milk into western cheese production should be substantial. In other areas, increased use of nonfat dry milk and local cream to produce cheese is likely. These responses will tend to ease cheese markets while firming other dairy markets.

The current very wide spread between cheese and butter-powder values is unlikely to continue. Cheese prices will remain near current levels only if tightness in cheese markets can pull butter prices substantially higher. Such a scenario is plausible in light of some historic surges in cheese sales and cheese's share of the milk supply. However, the odds may not be high, because increases in apparent cheese sales thus far in 2003 have been modest and irregular, slowing in milk production has been gradual, and butter stocks and the nonfat dry milk surplus have stayed stubbornly large.

Butter-powder operations are expected to be in position to allow large quantities of milk to shift into cheese. Although butter prices may move a little more, cheese prices are projected to slip more than butter prices rise. Unless milk production declines become precipitous or unexpected sales strength develops for other dairy products, cheese prices probably will trend downward once the current cycle of pipeline stock building runs its course. Only temporary relief from low farm milk prices is seen this summer and early autumn.

Broiler Meat Production Down 4.4 Percent In May, but Estimate for the Second Quarter Revised Upward

While U.S. broiler meat production was down slightly in the first quarter of 2003, the revised estimate for the second quarter is now 8.8 billion pounds (up 125 million) and slightly higher than in the same period a year earlier. The estimate for third-quarter production has also been increased to 8.8 billion pounds. These adjustments push the estimate for 2003 to 32.42 billion pounds, an increase of 0.6 percent from the previous year.

Broiler meat production in May was down 4.4 percent from a year earlier. The May production decrease was the result of a 4.8- percent decrease in the number of birds being slaughtered, partially counterbalanced by a 1-percent increase in the average liveweight of the birds going to slaughter. Most of the decrease in the number of birds going to slaughter can be attributed to the fact that May 2003 had one less working day than May 2002. This will be reversed the next month, with June 2003 having one additional working day compared with the same month the previous year. Preliminary data point towards a significant increase in the number of birds slaughtered in June combined with a 1- to 2-percent increase in their average weights.

Even with second-quarter production now estimated to be slightly higher than in the previous year, wholesale prices for a number of broiler products continued to rise in June. Over the first 6 months of 2003, wholesale prices for boneless/skinless breast meat have averaged \$1.49 per pound, up 14 percent from the same period in 2002. Prices for whole birds have also increased, with prices averaging 7 percent higher than in the first half of 2002. Leg quarter prices, which more greatly reflect strength in the

export markets, have lagged. Over the first 6 months of 2003, leg quarter prices have averaged 21.8 cents per pound, down a little over 1 percent from the previous year. However, over the last 2 months, leg quarter prices have really begun to swing upward. In June, leg quarter prices in the Northeast region were 25.1 cents per pound, up 1.2 cents from the previous month and 4.1 cents (20 percent) higher than in April. With broiler production now forecast to be slightly higher in the third quarter than the previous year, price increases are expected to slow. However, prices, especially for export-sensitive parts, are expected to remain above their year-earlier levels.

Broiler exports in May were 386 million pounds, down 10 percent from the previous year and considerably lower than average shipments over the last several years. In response to low shipments in May, the export estimate for the second quarter was lowered by 75 million pounds to 1.13 billion pounds. However, prices for a number of parts that are heavily exported have increased over the last 6 to 8 weeks, indicating a strengthening in export demand. Exports are expected to be higher in the third quarter of 2003 than the previous year. This is due to a combination of strengthening broiler exports and the low level of exports to Russia during the third quarter of 2002.

Over the first 5 months of 2003, broiler shipments have totaled 1.9 billion pounds, slightly lower than in the same period in 2002 (down 3.1 percent). This is considerably better than shipments of other poultry products, such as turkey (down 16 percent) and eggs (down 9 percent). However all the growth in broiler shipments over the first 5 months of 2003 have come from countries that have traditionally been smaller markets. Shipments to Russia were down 7 percent and shipments to Hong Kong, Mexico, and Korea were all at least 25 percent lower than the previous year.

Egg Prices Continue To Rise

During the first 6 months of 2003, wholesale table egg prices (NY grade A large) averaged 75.6 cents per dozen, 18 percent higher than the same period in 2002. Retail egg prices were about 14 percent higher during the same period. For all of 2003, wholesale egg prices are expected to be 12-14 percent higher than 2002, and retail prices will also continue its 3-year upward movement. During the first 6 months in 2003, egg consumption was down about an egg from

a year earlier. Per capita egg consumption in 2003 is expected to decrease slightly to 252 eggs, about 2 eggs less per person than the previous year.

Due to the higher egg prices, the quantity of eggs going to the breaking market decreased by 3.8 percent during the first 6-months in 2003, compared with the same period in 2002. For all of 2003, Federally inspected eggs broken are expected to be about 2 percent less than in 2002.

Contacts and Links

Contact Information

Leland Southard (coordinator)	202-694-5187	southard@ers.usda.gov
David J. Harvey (poultry)	202-694-5177	djharvey@ers.usda.gov
Ron Gustafson (cattle)	202-694-5174	ronaldg@ers.usda.gov
Dale Leuck (beef trade)	202-694-5186	djleuck@ers.usda.gov
Keithly Jones (sheep and lambs)	202-694-5172	kjones@ers.usda.gov
Mildred Haley (hogs/pork)	202-694-5176	mhaley@ers.usda.gov
Jim Miller (dairy)	202-694-5184	jjmiller@ers.usda.gov
LaVerne Williams (statistics)	202-694-5190	lwiliam@ers.usda.gov
Laverne Creek (web publishing)	202-694-5191	lmccree@ers.usda.gov
Donald Blayney (dairy)	202-694-5171	dblayney@ers.usda.gov
Fawzi Taha (eggs)	202-694-5178	ftaha@ers.usda.gov

Subscription Information

Subscribe to ERS e-mail notification service at <http://www.ers.usda.gov/updates/> to receive timely notification of newsletter availability. Printed copies can be purchased from the USDA Order Desk by calling 1-800-999-6779 (specify the issue number or series SUB-LDPM-4042).

Related Article

The discovery of bovine spongiform encephalopathy (BSE), <http://www.usda.gov/news/releases/2003/05/bg0166.htm>, in Canada resulted in the United States placing a ban on imports of ruminant animals and products from that country as of May 20. When the ban will be lifted is uncertain. The United States imports a substantial amount of cattle and beef from Canada.

Data

Retail Price Reporting for Meat, <http://www.ers.usda.gov/Data/Meatscanner/> ERS database contains monthly average retail prices for selected cuts of red meat and poultry, based on electronic supermarket scanner data. While not based on a random sample, the raw data underlying the database are from supermarkets across the United States that account for approximately 20 percent of U.S. supermarket sales. [Leland Southard](#), (202) 694-5187.

Web Sites

Cattle, <http://www.ers.usda.gov/briefing/cattle/>
Hogs, <http://www.ers.usda.gov/briefing/hogs/>
Poultry and Eggs, <http://www.ers.usda.gov/briefing/poultry/>
Dairy, <http://www.ers.usda.gov/briefing/dairy/>
WASDE, <http://www.usda.gov/oce/waob/wasde/latest.pdf>

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

Red meat and poultry forecasts

	2002				2003				2004			
	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Production, million lb												
Beef	6,833	7,097	6,783	27,090	6,287	6,910	6,975	6,225	26,397	6,025	6,650	25,675
Pork	4,797	4,832	5,255	19,664	4,889	4,750	4,710	5,160	19,509	4,850	4,700	19,450
Lamb and mutton	54	51	56	219	49	50	50	52	201	50	49	198
Broilers	8,234	8,251	7,936	32,240	7,770	8,275	8,275	8,100	32,420	7,900	8,325	32,725
Turkeys	1,441	1,412	1,482	5,713	1,379	1,425	1,400	1,475	5,679	1,375	1,450	5,775
Total red meat & poultry	21,543	21,837	21,700	85,669	20,550	21,592	21,585	21,184	84,911	20,380	21,360	84,540
Table eggs, mil. doz.	1,518	1,551	1,573	6,148	1,511	1,520	1,555	1,580	6,166	1,520	1,530	6,205
Per capita consumption, retail lb 1/												
Beef	17.5	17.3	16.6	67.6	16.2	17.1	17.6	14.9	65.7	15.3	16.5	63.2
Pork	12.6	12.7	13.8	51.5	12.6	12.4	12.4	13.4	50.7	12.4	12.2	50.1
Lamb and mutton	0.3	0.3	0.3	1.2	0.3	0.3	0.3	0.3	1.1	0.3	0.3	1.1
Broilers	20.8	20.6	19.9	80.5	19.6	20.7	20.5	19.6	80.3	19.4	20.3	79.4
Turkeys	3.9	4.4	5.9	17.7	3.6	3.9	4.2	5.9	17.7	3.7	4.0	17.8
Total red meat & poultry	55.6	55.8	57.0	220.5	52.7	54.9	55.4	54.6	217.5	51.6	53.8	213.6
Eggs, number	62.6	64.0	64.6	253.7	61.9	62.1	63.5	64.4	251.9	61.6	62.0	250.9
Market prices												
Choice steers, Neb., \$/cwt	65.58	63.29	69.10	67.04	77.82	78.49	72-74	73-79	75-77	74-80	78-84	77-83
Feeder steers, Ok City, \$/cwt	76.96	78.87	83.08	80.04	78.38	82.49	85-87	88-94	84-87	85-91	83-89	86-92
Boning utility cows, S. Falls, \$/cwt	42.28	37.69	35.69	39.23	40.32	46.52	45-47	44-46	44-45	43-47	46-50	45-48
Choice slaughter lambs, San Angelo, \$/cwt	66.00	74.60	82.02	72.31	91.92	95.00	87-91	82-88	89-91	79-85	80-86	79-87
Barrows & gilts, N. base, l.e. \$/cwt	35.03	33.86	31.34	34.92	35.38	42.64	40-42	38-40	39-40	39-43	41-45	41-44
Broilers, 12 City, cents/lb	56.10	56.40	53.70	55.60	60.30	59.60	60-62	58-62	59-61	57-61	59-63	58-63
Turkeys, Eastern, cents/lb	62.90	66.70	68.20	64.50	61.10	60.60	63-65	68-72	63-65	59-63	63-67	64-69
Eggs, New York, cents/doz.	58.40	65.30	75.40	67.10	77.20	73.90	74-76	77-83	75-78	74-80	69-75	74-80
U.S. trade, million lb												
Beef & veal exports	601	662	612	2,447	585	620	630	610	2,445	600	660	2,550
Beef & veal imports	934	839	708	3,218	810	780	830	735	3,155	865	925	3,425
Lamb and mutton imports	44	32	38	162	40	48	36	42	166	44	42	167
Pork exports	416	401	415	1,614	413	425	400	430	1,668	405	430	1,695
Pork imports	262	275	299	1,071	289	290	300	325	1,204	310	310	1,255
Broiler exports	1,119	1,257	1,219	4,800	1,200	1,125	1,250	1,300	4,875	1,250	1,275	5,200
Turkey exports	107	100	103	439	103	100	105	120	428	110	105	445

1/ Per capita meat and egg consumption data are revised, incorporating a new population series from the Commerce Department's Bureau of Economic Analysis based on the 2000 Census.

ECONOMIC INDICATOR FORECASTS ^{1/}

	2002				2003					2004		
	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
GDP, chain wtd (bil. 1996 dol.)	9,388	9,465	9,503	9,440	9,556	9,599	9,679	9,759	9,651	9,855	9,938	9,994
CPI-U, annual rate (pct.)	3.4	1.9	2.4	2.2	3.9	2.0	1.8	2.1	2.4	2.2	2.3	2.3
Unemployment (pct.)	5.9	5.7	5.9	5.8	5.8	6.0	6.0	5.9	5.9	5.8	5.7	5.7
Interest (pct.)												
3-month Treasury bill	1.7	1.6	1.3	1.6	1.2	1.2	1.2	1.3	1.2	1.4	1.8	2.1
10-year Treasury bond yield	5.1	4.3	4.0	4.6	3.9	4.0	4.2	4.3	4.1	4.5	4.6	4.7

1/ Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, May 2003.

DAIRY FORECASTS

	2002				2003					2004		
	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thous.)	9,149	9,153	9,148	9,141	9,154	9,130	9,090	9,060	9,110	9,010	8,965	8,950
Milk per cow (pounds)	4,811	4,566	4,543	18,573	4,690	4,800	4,590	4,625	18,705	4,855	4,970	19,300
Milk production (bil. pounds)	44.0	41.8	41.6	169.8	42.9	43.8	41.7	41.9	170.4	43.7	44.6	172.8
Commercial use (bil. pounds)												
milkfat basis	42.2	43.8	43.9	170.5	41.2	43.2	44.1	44.9	173.4	42.7	44.4	177.7
skim solids basis	40.6	42.3	41.2	163.4	40.2	41.1	42.8	42.1	166.1	41.5	42.4	171.4
Net removals (bil. pounds)												
milkfat basis	0.1	0.1	0.1	0.3	0.4	0.6	0.2	0.1	1.3	0.2	0.4	1.1
skim solids basis	3.5	2.1	1.5	9.8	3.1	3.1	1.1	1.1	8.3	1.9	2.3	5.4
Prices (dol./cwt)												
All milk 1/	12.03	11.33	11.97	12.11	11.37	11.07	11.90	12.05	11.60	11.10	10.35	11.15
							-12.30	-12.75	-11.90	-12.10	-11.35	-12.15
Class III	10.59	9.59	10.10	10.42	9.52	9.62	11.30	10.35	10.20	9.40	9.15	9.80
							-11.70	-11.05	-10.50	-10.40	-10.15	-10.80
Class IV	10.73	10.36	10.52	10.81	9.89	9.74	9.85	9.90	9.80	9.40	9.35	9.60
							-10.35	-10.70	-10.20	-10.50	-10.45	-10.70

1/ Simple averages of monthly prices. May not match reported annual averages.

Per capita consumption of selected cheese varieties, 1970-2002 **

	American			Italian							Miscellaneous	
	Cheddar	Other 1/	Total	Provolone	Romano	Parmesan	Mozzarella	Ricotta	Other	Total	Swiss 2/	Brick
	Pounds											
1970	5.79	1.22	7.02	0.23	0.15	0.17	1.19	0.24	0.08	2.06	0.89	0.10
1971	5.94	1.42	7.35	0.22	0.14	0.20	1.38	0.28	0.07	2.30	0.94	0.11
1972	6.04	1.67	7.71	0.24	0.16	0.23	1.58	0.31	0.08	2.60	1.06	0.10
1973	6.10	1.76	7.86	0.27	0.15	0.18	1.77	0.34	0.09	2.81	1.06	0.11
1974	6.32	2.16	8.48	0.27	0.15	0.25	1.86	0.33	0.09	2.96	1.18	0.11
1975	6.04	2.13	8.17	0.28	0.22	0.17	2.12	0.38	0.07	3.24	1.10	0.09
1976	6.45	2.46	8.91	0.31	0.17	0.27	2.32	0.41	0.08	3.56	1.25	0.09
1977	6.80	2.43	9.23	0.35	0.16	0.26	2.47	0.41	0.09	3.73	1.21	0.07
1978	6.94	2.61	9.55	0.36	0.18	0.28	2.69	0.44	0.11	4.06	1.34	0.08
1979	6.93	2.69	9.62	0.40	0.16	0.32	2.81	0.46	0.08	4.24	1.36	0.06
1980	6.85	2.80	9.65	0.42	0.15	0.28	3.02	0.47	0.10	4.44	1.33	0.07
1981	7.03	3.14	10.18	0.45	0.14	0.30	2.98	0.49	0.09	4.45	1.27	0.06
1982	8.72	2.61	11.34	0.47	0.17	0.32	3.29	0.47	0.11	4.84	1.30	0.06
1983	9.11	2.52	11.63	0.50	0.16	0.32	3.68	0.54	0.09	5.28	1.25	0.06
1984	9.53	2.32	11.85	0.54	0.17	0.35	4.03	0.58	0.09	5.77	1.24	0.07
1985	9.76	2.42	12.19	0.56	0.21	0.38	4.63	0.60	0.08	6.46	1.29	0.08
1986	9.76	2.36	12.12	0.57	0.16	0.33	5.19	0.63	0.10	6.99	1.29	0.08
1987	10.60	1.80	12.41	0.61	0.23	0.42	5.62	0.68	0.08	7.63	1.24	0.12
1988	9.52	1.98	11.50	0.61	0.19	0.49	6.01	0.73	0.11	8.13	1.29	0.10
1989	9.17	1.86	11.03	0.61	0.20	0.42	6.44	0.75	0.08	8.50	1.24	0.07
1990	9.03	2.09	11.13	0.63	0.14	0.43	6.92	0.78	0.06	8.97	1.35	0.07
1991	9.02	2.01	11.03	0.62	0.17	0.46	7.20	0.84	0.06	9.34	1.22	0.06
1992	9.15	2.11	11.26	0.64	0.14	0.53	7.67	0.88	0.06	9.91	1.19	0.06
1993	9.05	2.26	11.31	0.68	0.13	0.50	7.48	0.88	0.08	9.74	1.19	0.05
1994	9.01	2.41	11.42	0.70	0.14	0.45	7.85	0.90	0.13	10.18	1.15	0.05
1995	8.97	2.71	11.68	0.69	0.16	0.39	7.97	0.90	0.16	10.27	1.11	0.04
1996	9.04	2.76	11.80	0.77	0.16	0.28	8.34	0.93	0.13	10.62	1.08	0.04
1997	9.43	2.39	11.82	0.74	0.17	0.61	8.23	0.87	0.15	10.76	1.00	0.03
1998	9.41	2.49	11.90	0.81	0.15	0.52	8.57	0.87	0.19	11.11	1.03	0.03
1999	9.76	2.80	12.56	0.80	0.17	0.41	9.03	0.90	0.24	11.55	1.06	0.03
2000	9.70	2.98	12.68	0.88	0.17	0.44	9.33	0.87	0.28	11.97	1.03	0.03
2001	9.85	2.94	12.79	0.89	0.18	0.45	9.69	0.83	0.29	12.33	1.15	0.03
2002 3/	9.67	3.20	12.87	0.92	0.19	0.50	9.75	0.83	0.30	12.49	1.07	0.03

	Miscellaneous--continued					All cheese	Processed products				Consumed as natural cheese
	Munster	Cream and Neufchatel	Blue 4/	Other	Total		Cheese	Foods and spreads	Total processed	Cheese content	
						Pounds					
1970	0.17	0.61	0.15	0.37	2.29	11.37	3.32	2.20	5.53	4.42	6.95
1971	0.19	0.63	0.15	0.36	2.38	12.03	3.55	2.31	5.86	4.68	7.35
1972	0.22	0.64	0.17	0.50	2.69	13.00	3.53	2.62	6.15	4.87	8.13
1973	0.22	0.66	0.32	0.46	2.82	13.49	3.31	2.68	5.99	4.70	8.78
1974	0.23	0.70	0.16	0.58	2.97	14.41	3.42	2.92	6.34	4.97	9.44
1975	0.24	0.74	0.16	0.53	2.86	14.27	3.35	3.34	6.69	5.17	9.10
1976	0.25	0.77	0.18	0.49	3.04	15.51	3.89	2.59	6.48	5.18	10.33
1977	0.25	0.80	0.18	0.51	3.03	15.99	3.88	3.23	7.12	5.60	10.40
1978	0.27	0.89	0.19	0.46	3.22	16.83	3.84	3.23	7.07	5.56	11.27
1979	0.28	0.94	0.18	0.48	3.30	17.16	3.83	3.12	6.94	5.48	11.68
1980	0.31	1.00	0.17	0.57	3.44	17.53	3.96	3.09	7.05	5.52	12.01
1981	0.29	1.05	0.16	0.72	3.55	18.18	3.63	3.14	6.77	5.24	12.94
1982	0.31	1.13	0.16	0.77	3.73	19.90	4.66	3.29	7.95	6.38	13.52
1983	0.30	1.15	0.16	0.73	3.66	20.57	5.09	3.32	8.41	6.76	13.80
1984	0.32	1.17	0.17	0.88	3.85	21.48	4.46	3.30	7.76	6.13	15.35
1985	0.34	1.23	0.17	0.78	3.90	22.54	4.60	3.00	7.60	6.06	16.48
1986	0.37	1.34	0.17	0.76	4.01	23.12	4.77	3.18	7.96	6.36	16.76
1987	0.38	1.41	0.17	0.74	4.06	24.10	5.23	3.18	8.41	6.82	17.28
1988	0.34	1.53	0.17	0.65	4.08	23.71	4.60	3.75	8.34	6.58	17.13
1989	0.37	1.62	0.16	0.81	4.26	23.79	4.61	3.57	8.17	6.41	17.38
1990	0.40	1.72	0.17	0.80	4.52	24.61	4.79	3.84	8.63	6.81	17.80
1991	0.42	1.76	0.16	0.95	4.56	24.94	4.88	3.75	8.63	6.82	18.11
1992	0.45	2.01	0.15	0.83	4.69	25.86	5.19	3.33	8.52	6.84	19.02
1993	0.45	2.07	0.15	1.06	4.97	26.03	5.20	3.44	8.64	6.91	19.12
1994	0.43	2.18	0.16	0.99	4.95	26.55	5.27	3.44	8.71	6.98	19.57
1995	0.41	2.04	0.16	1.20	4.96	26.91	5.45	3.25	8.70	7.01	19.90
1996	0.40	2.13	0.17	1.07	4.89	27.31	5.44	3.32	8.76	7.04	20.27
1997	0.37	2.25	0.18	1.10	4.94	27.52	4.92	3.05	7.97	6.40	21.13
1998	0.34	2.25	0.19	0.90	4.74	27.75	4.44	3.70	8.14	6.38	21.37
1999	0.29	2.29	0.21	0.97	4.85	28.95	4.65	3.98	8.62	6.76	22.19
2000	0.30	2.43	0.20	1.11	5.11	29.77	4.85	3.19	8.04	6.43	23.34
2001	0.29	2.26	0.20	0.96	4.88	30.00	4.22	3.46	7.68	6.05	23.95
2002 3/	0.28	2.46	0.20	1.16	5.20	30.56	4.07	3.40	7.48	5.88	24.68

1/ Includes Colby, washed curd, stirred curd, Monterey, and Jack. 2/ Includes imported Emmenthaler and Gruyere.

3/ Preliminary. 4/ Includes Gorgonzola. Numbers may not add due to rounding.